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ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

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CONTENTS

Juneau 1972 to 1982: Growth amid Uncertainty 1
The Year in Review 5

Alaska 9
Anchorage/Matsu 12
Fairbanks/Interior 15
Gulf Coast 18
Southeast 21
Hours and Earnings 24
Labor Force By Region and Census Division ..... Center Insert

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The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1982.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

JUNEAU 1972 to 1982: GROWTH AMID UNCERTAINTY

By John Boucher

When Alaska's voters defeated the state capital move initiative in November 1982, Alaska's capital city ended one era and began another. The last ten years have been tumultuous times for Juneau, marked by counterbalancing forces effecting the local economy. The realization of billions of dollars in state oil revenue and increasing population had a positive effect on Juneau employment while the 1974 capital relocation vote tended to inhibit employment growth.

Juneau employment increased 58.6% from 1972 to 1982. The largest gains coming in state and local government (1,926 jobs), services (1,008 jobs), and retail trade (790 jobs). Impressive gains were also made in the manufacturing and finance, insurance and real estate industries. Construction and federal government employment were the slowest growing sectors of the Juneau economy during the past 10 years. Federal government employment grew 6.6% and construction employment was actually higher in 1972 than in 1982. This decline overstates sluggishness in Juneau construction because in 1972 the State Office Building, Egan Drive and several other large projects were under construction.

Construction employment was the industry hardest hit by the 1974 capital relocation vote. The threat of losing the city's base industry brought disincentive for private investment in any project dependent on long term viability of the community. Construction employment figures bear this out. From 1974 to 1975, immediately after the vote to move, the annual average number of jobs available in construction dropped by 110. Despite increasing population, Juneau construction stayed close to its 1975 level until 1981. In 1981 construction employment increased by 131 jobs, the highest level since 1973. The upturn was fueled by a dramatic increase in state oil revenues which made millions of dollars available for capital projects. Increasing construction employment was not solely the result of public construction projects. The private sector made a significant contribution to the surge of 1981. Building permits for residential housing units jumped from 308 in 1980 to 491 in 1981. Other projects such as new office buildings increased the number of construction jobs in Juneau.

Growth of residential construction could be explained by the emergence of subsidized housing loans through Alaska Housing Finance Corporation and state and federal subsidized energy programs. Long term leases to the state and guaranteed buyout of state employee houses if the capital move budget was approved limited the risk of some construction investments. Some major private commercial construction either ignored the risk the capital move represented or speculated that it would be resolved in Juneau's favor.

The effect the capital move initiative had on employment in other industries is more difficult to quantify. By comparing statewide industry growth to growth in Juneau during the same period one can get an idea of what development in Juneau might have been without any constraint. For some industries this is a more valid comparison than others. Mining, for example, would not be comparable because of thousands of new oil and gas jobs on the North Slope.

From 1972 to 1982, Juneau lagged behind statewide employment growth in every industry except manufacturing. Transportation, communication, and public utilities is one industry that grew much slower in Juneau than statewide during this period. Part of the growth difference is explained by the Trans-Alaska pipeline since all pipeline related employment has been added to the statewide total since 1972. However, pipeline employment does not account for all or even a majority of the difference. Water transportation actually declined in Juneau from 1972 to 1982 while statewide it increased 70%. Air transportation and trucking and warehousing were also areas where Juneau lagged significantly behind statewide growth. One area of transportation where Juneau performed better than the statewide average growth was communications. This can be attributed to the expansion of telecommunications facilities within the area, a growing cable television network and the addition of a public television station.

Trade, both wholesale and retail, grew much slower in Juneau than it grew in the rest of the state from 1972 to 1982. The building materials and hardware stores sector of retail trade had very little expansion during this period while statewide this sector more than doubled. The slow expansion could be attributed to the lackluster performance of the construction industry during this period. Food stores and miscellaneous retail stores were other areas of high growth statewide that Juneau did not experience. Growth could have been inhibited in these two areas not only by the impending capital move, but by the lack of a large enough population to support specialty merchandise stores that become more feasible endeavors as the population and marketplace expand.

Services, finance, insurance and real estate and government employment growth did not lag as far behind statewide growth as transportation and trade did during this period. Government employment, especially central state government, grew strongly in Juneau because of the rapid expansion of services and programs offered by the state. Finance, insurance and real estate growth was mainly due to two forces. Banking and real estate employment contributed to some of the growth in this industry, but the emergence of Alaska's native corporations contributed the lion's share of employment growth in finance, insurance, and real estate in Juneau. Employment by native corporations in Juneau went from next to nothing in 1972 to more than 150 in 1982. Juneau benefited from the establishment of the local Goldbelt Corporation and was chosen as the headquarters for

the regional Sealaska Corporation. Services grew at the statewide pace, led by strong growth in business services, medical services, and legal services.

In summary, 1972 to 1982 were years of strong growth for some industries while others experienced more hesitant growth. With the capital move initiative quelled for the immediate future, industries that were constrained during this period are showing signs of catch-up growth.

Second quarter 1983 data suggest that some industries are reaping the benefit of the resolution of the capital move issue. Construction was the first industry to take off. Second quarter 1983 construction employment was up 47% over 1982, and was the second highest average for a quarter ever. Of the additional jobs available in Juneau in 1983, over half were accounted for by construction. A high level of activity will continue into next year with public projects such as the area wide water system, and a proposed legislative hall taking up the slack that will occur after completion of private projects that are responsible for the current surge in construction.

Retail Trade is another large contributor to new growth in the Juneau economy, accounting for 121 more jobs in second quarter 1983 than second quarter 1982. Growth in the retail sector will continue to be strong in the near term as mall expansions and chain stores add to retail employment. In the past Juneauites apparently spent significantly less of their disposable income in the local area than other Americans or Alaskans as witnessed by the smaller than normal trade sector in Juneau. Whether or not the traditional buying patterns of Juneauites will change, due to the greater competition and variety of goods and services offered by a larger retail sector, will be the determining factor in future retail trade growth.

Finance, insurance and real estate has been one of the fastest growing sectors in the economy during the past 10 years. Growth in this sector will continue at a moderated pace. One bank which now operates a loan production office is planning a full service headquarters to open next summer. Growth will not be as strong as in the 70's since native corporations will not have as strong an impact on this sector as they did after the Alaska Native Land Claims Settlement Act.

Transportation, communications and public utilities and services will continue growing at a steady pace. The communications sector will probably continue to lead the transportation industry but growth will not be as rapid as during the past ten years. Growth in the water transportation and air transportation and public utilities sectors will be largely in response to increasing population. Services should also make significant contributions to employment growth but not at the pace of the last ten years.

Mining and manufacturing are currently very small segments of Juneau's local economy, and will stay that way in the near term. A large mining

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES *1/ 2/*

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 9/83	r/ 8/83	9/82	p/ 9/83	r/ 8/83	9/82	p/ 9/83	r/ 8/83	9/82
Mining	$24.22	$23.57	$24.95	51.7	51.9	47.7	$1252.17	$1223.28	$1190.11
Contract Construction *3/*	24.30	24.13	25.95	46.0	45.5	44.1	1117.80	1097.92	1056.20
Manufacturing	13.69	10.39	11.74	32.7	41.4	33.2	447.66	430.15	389.77
Food & Kindred Products	9.42	8.13	8.33	26.8	41.8	30.0	252.46	339.83	249.90
Lumber & Paper Products	17.29	16.60	15.62	39.7	39.2	36.2	686.41	650.72	565.44
Trans. Comm. & Util.	16.81	15.84	14.89	37.3	38.5	38.5	627.01	609.84	573.27
Trade	13.13	12.84	9.86	27.2	28.2	35.0	357.14	362.09	345.10
Wholesale Trade	12.25	11.89	11.75	36.4	38.8	37.6	445.90	461.33	441.80
Retail Trade	13.64	13.43	9.06	23.7	24.1	34.0	323.27	323.66	308.04
Finance-Ins. & Real Estate	—	—	—	—	—	—	334.66	356.87	356.09

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

2/ Excludes eating and drinking establishments.

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

development on Admiralty Island could eventually contribute 300 jobs to the Juneau economy but under the current timetable this would not occur until 1987 or 1988. Manufacturing employment in Juneau was recently dealt a blow when it was announced that the Juneau Cold Storage would close down in January 1984. Fish processing employment at present does not look very promising for the Juneau area. Other manufacturing employment such as printing and publishing, and baking should expand in proportion to growth of other economic activity and the local population.

Government employment is Juneau's largest and now the most stable industry. Federal government employment in the Juneau area is expected to hold steady in the near term. Local government will experience growth as will state government due to the rapidly growing population of both Juneau and Alaska. Growth in state government proportional to population growth is questionable though due to the increasing awareness of the probability of declining state revenues. Expectations of what services the state is able to provide could begin to change, placing less upward pressure on government employment.

In summation, the Juneau economy should experience some strong growth in the short term, much of it taking place in the secondary industries. Construction and government will be the big contributors to employment growth in the basic industries. Beyond the near term however the outlook is clouded. Declining state revenues will probably put the squeeze on state government as well as the massive public construction projects the state is currently funding. Growth beyond the near term would most likely be population driven rather than related to increased state revenue.

Juneau Nonagricultural Wage and Salary Employment
1972 to 1982

	1972	1982	Juneau % Change	Comparable Statewide % Change
Total Nonagricultural	7,697	12,210	58.6	92.8
Mining	8	12	50.0	324.8
Construction	636	589	-18.0	112.6
Manufacturing	52	151	190.4	56.9
Trans., Comm., & Public Util.	592	916	71.4	84.2
Trade	1,016	1,867	83.8	119.5
Wholesale	109	170	56.0	116.8
Retail	907	1,697	87.1	120.5
Fin.-Ins. & R. Estate	207	527	154.6	157.6
Services	691	1,699	145.9	156.2
Government	4,447	6,445	44.7	47.2
Federal	913	973	6.6	2.4
State & Local	3,534	5,460	54.5	77.8

ALASKA: THE YEAR IN REVIEW

By Ed Eboch

Alaska's economy this past year was characterized by superlatives—the largest sealift by the oil companies since 1975, the second largest salmon run in the history of the state, and Mukluk Island, the Beaufort Sea's largest and most expensive man-made island. Continued growth in government, construction activities, record salmon runs, and a continuing trend towards improved availability of consumer goods all contributed to the best "employment" year in the state's history. Not only was the employment level a record, but the rate of increase was also the best since 1974-75.

Construction was by far the strongest sector in the state over the past year followed closely by trade, and finance, insurance and real estate. The recovery of the U.S. economy contributed to the health of the Alaska economy. However, the slow recovery worldwide and the unfavorable exchange rate was a drag on several Alaska industries. This was especially true of the Japanese economy which plays an important role in Alaska's lumber and fishing industries. While the Japanese economy halted its decline in 1983, the recovery was sustained mainly by the recovery in exports. Alaska industries that show employment declines in 1983 include mining, wood products, and federal government employment although the total drop in average number of employees is small.

Mining

Much of the loss in employment in mining was in the oil and gas industry although hard rock mining was also off slightly. Coal employment remained stable but a contract for Usibelli to ship 8 million tons of coal a year to Korea improves the employment outlook in this industry for 1984 and beyond.

Expectations of an increase in demand and a strengthening of prices in oil have not materialized as the U.S. economic recovery has progressed. The ability to conserve and to shift to other energy sources continues to surprise everyone. With the disappointing news about the Mukluk exploratory well and with continued weak oil prices it is unlikely that development of major oil or new coal projects will be undertaken in the immediate future. However, exploration for new oil is expected to continue but it may be at a somewhat slower pace.

To what extent the drop in hard rock mining employment reflects declines in metal prices or competition for employees from other sectors of the economy is uncertain. While precious metal prices have improved slightly from 1982 levels they are still below what is required to make many operations economical. The failure of mineral prices to improve with the

Alaska 1983 Employment Growth
Preliminary Estimates

	1983 1/	1982 1/	Percent Change 2/
Nonagricultural Wage & Salary	211,900	199,900	6.0
Mining	8,300	9,100	-8.8
Construction	19,100	16,900	13.0
Manufacturing	13,400	12,900	3.9
Food & Kindred Products	7,600	7,200	5.6
Lumber & Paper Products	2,700	2,900	•
All Other Mfg.	2,900	2,800	•
Trans., Comm., & Utilities	18,900	18,500	2.2
Trucking & Warehousing	2,300	2,400	•
Water Transportation	1,400	1,300	•
Air Transportation	5,700	5,600	1.8
Other Trans., Comm. & Util	9,500	9,000	5.6
Trade	41,600	37,400	11.2
Wholesale	8,000	7,200	11.1
Retail	33,700	30,200	11.6
Gen. Merchandise & Apparel	5,000	4,400	13.6
Food Stores	5,600	5,000	12.0
Eating & Drinking Places	11,900	10,800	10.2
Other Retail Trade	10,900	10,100	7.9
Finance, Insurance & R. Estate	10,600	9,500	11.6
Services & Miscellaneous	38,800	35,900	8.1
Government	61,400	59,500	3.2
Federal	17,300	17,700	-2.3
State	19,200	17,900	7.3
Local	24,800	23,900	3.8

1/ Average for first 11 months of each year.
2/ The percentage change should be considered as an indication of direction and magnitude of change only.

• Rounding make percentages for smaller sectors less reliable as indicators.

improvement of the U.S. and world economic recovery has raised questions about the schedule of several major Alaska mining projects.

Construction

Construction has had its greatest impact on the Alaskan economy since the pipeline years. While state and federal supported projects contributed heavily to construction activities, the private sector was also exceptionally strong during 1983. Some of the biggest gains have been in residential housing and commercial space. However, overbuilding is becoming evident in Anchorage. Juneau, in the midst of a "catch up" construction boom in commercial and retail space, shows evidence of a surplus in residential housing. Vacancy rates and home listings are up significantly in both communities. These factors will affect employment growth during 1984.

The current level of construction employment is unlikely to continue. Construction activity in Alaska is primarily a function of state expenditures and oil industry activities. Massive investment in Prudhoe/Kuparuk is largely complete and construction employment is expected to decline sharply on the North Slope. A more austere state budget means less state monies available for major projects in the future.

Manufacturing

Despite the poor crab harvest, employment in the fisheries industry remained strong in 1983. This was largely a result of the best salmon run in nearly 40 years. However, because of the smaller than normal size of the fish, production in weight approximately equaled that of recent seasons.

Weak demand for Alaska wood products has resulted in a continued slide in wood products employment. After some early strengthening of Japan's housing industry, housing starts dropped 18% in the first six months of 1983 from the like period in 1980. Unfavorable short term outlook for Alaska timber products and industry environmental problems suggest that employment may continue to be weak.

Trade

Wholesale and retail trade were both up significantly in 1983. Big gains were realized in retail trade in those firms that provide support to construction, especially residential construction. Furniture, hardware, building material and related office and home equipment stores led the surge in retail trade although significant gains were made in all areas. Construction activities were also undoubtedly a big contributor to growth in wholesale trade.

Increased economic activity in the state as well as growth in tourist traffic helped spur growth in other retail establishments. Food stores, restaurants and bars, and apparel and accessory stores all experienced better than 10% growth as did auto dealers. Other areas of trade showed smaller increases. Growth in trade is expected to continue in line with national trends and as more and better commodities are made available to Alaskans.

Other

Transportation, communications and utilities showed only modest growth which is somewhat surprising considering the growth elsewhere in the Alaska economy. The large sealift for Prudhoe/Kuparuk probably diverted some material destined for the North Slope that would have otherwise used normal transportation channels.

Finance, insurance and real estate annual growth exceeded 10% while services grew at an 8% rate. Trade and services employment in Alaska has

historically lagged the U.S. as a percent of total employment. There has been a trend in Alaska in recent years to catch up to the U.S. relationships of trade and services to overall employment. As this trend continues, trade, services, real estate, insurance and finance will continue to make a greater than average contribution to employment growth.

State and local government grew while federal government employment fell. Much of the growth in state and local employment was in response to the greater educational needs of its citizens. With the limits placed on state operating budgets employment in state government is not expected to continue to show much growth. Local government will continue to grow in response to population growth and other demographic changes as well as higher expectations of local residents for government services.

Unemployment

After starting the year with 1983 unemployment rates well above those of 1982, the trend reversed in June. From July through November the monthly unemployment rate has consistently improved relative to the same month of 1982. Every sector of the economy benefited as the year progressed. Not surprisingly, claims for benefits in 1983 decreased the most in construction. With winter upon us and the seasonal nature of many of Alaska's industries, the unemployment rate is beginning to move up but at a rate still below last year.

Conclusion

Tourism will be the bright spot in Alaska's economy in 1984. With Alaska's silver anniversary, an improved U.S. economy, and improved exchange rates, 1984 should see a record number of tourists, especially foreign tourists, visit our state. Construction will experience a decline in employment as the current "building phase" winds down. Manufacturing is the other anticipated area of weak employment in 1984. Japanese housing demand is expected to remain sluggish while salmon runs are not anticipated to approach levels of the past two years.

Uncertainty about oil prices, a slow worldwide economic recovery and unfavorable exchange rates will keep Alaska's economy from experiencing the rapid growth in employment in 1984 that it has enjoyed the past few years. As the economic recovery gains strength and oil and commodity prices firm up, long term employment prospects will improve.

ALASKA

By Ed Eboch

Alaska's nonagricultural wage and salary employment continued its seasonal slide in November dropping to 209,700. While this was a 6,800 drop from the October employment levels it was a significant increase over November 1982. The month to month drop in employment was broad based including all industries except local government and other retail trade. Major month to month declines were experienced in the seasonal construction and seafood processing industries as well as services industries, especially those firms providing support to Alaska's seasonal industries.

The growth in employment from November 1982 included all industries except federal government, food and kindred products (mostly seafood processing) and lumber and pulp products. Seafood processing is down due to the problems with this year's crab harvest. The weak housing market in Japan continues to be reflected in the weak demand and poor prices for Alaska forest products. Expansion in construction employment and industries that support construction and state and local government growth account for much of the increase in employment from November 1982.

Unemployment increased in November to 10.0% up from 8.4% in October, but well below the 10.5% rate of November 1982. The drop in employment and associated increase in unemployed is usual for this time of year as the seasonal industries continue to adjust their employment levels as cold weather sets in.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P	R	CHANGES FROM:		
	11/83	10/83	11/82	10/83	11/82
Nonag. Wage & Salary	209700	216500	198200	-6800	11500
Mining	7800	8000	7800	-200	0
Construction	19700	22400	17400	-2700	2300
Manufacturing	9200	11100	9700	-1900	-500
Food & Kindred Prod.	3800	5200	4000	-1400	-200
Lumber & Paper Prod.	2500	2800	2900	-300	-400
All Other Mfg.	2900	3100	2800	-200	100
Trans. Comm. & Util.	18300	18700	17800	-400	500
Trucking & Whseing.	2200	2200	2100	0	100
Water Transportation	1200	1500	1300	-300	-100
Air Transportation	5800	5600	5400	200	400
Other Trans. Comm. & Utilities	9100	9400	9000	-300	100
Trade	42800	43100	39000	-300	3800
Wholesale	8200	8300	7300	-100	900
Retail	34600	34800	31700	-200	2900
Gen. Merchandise & Apparel	5400	5400	4900	0	500
Food Stores	5700	6000	5200	-300	500
Eating & Drinking Places	11900	12000	11000	-100	900
Other Retail Trade	11600	11400	10600	200	1000
Fin.-Ins. & Real Estate	10900	10900	9800	0	1100
Services & Misc.	37700	38700	35600	-1000	2100
Government	63300	63600	61100	-300	2200
Federal	17100	17400	17400	-300	-300
State	19600	19800	18800	-200	800
Local	26600	26400	24900	200	1700

Prepared in cooperation with the U.S. Bureau of Labor Statistics.
Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1982.

P Denotes preliminary estimates.
R Denotes revised estimates.

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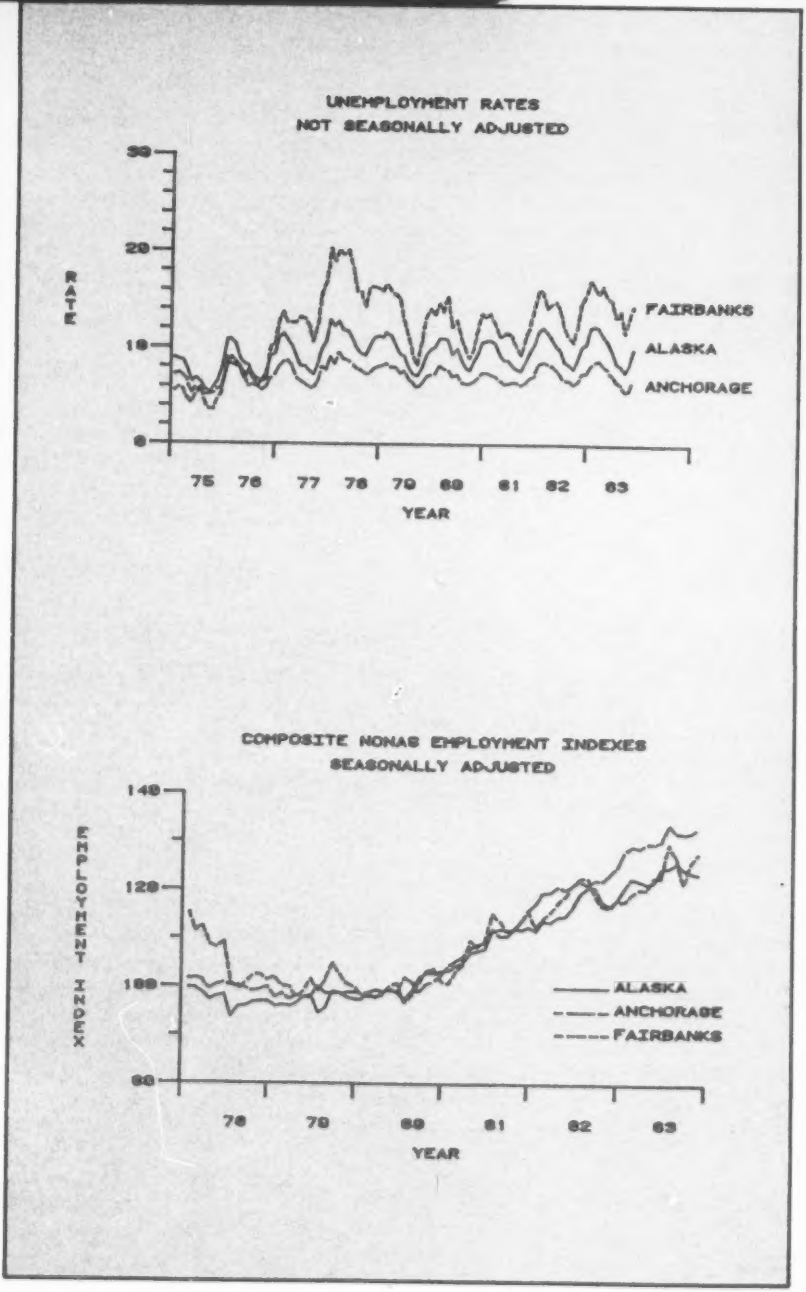

ANCHORAGE-MATSU

By Greg Huff

Employment/Unemployment

Nonagricultural employment in the Anchorage and MatSu areas dropped in November by 2,600 jobs. Normal for this time of year these declines in employment were largely a result of seasonal layoffs in the construction industry and related businesses. Construction employment region wide declined by 1,750 jobs; 1,550 in Anchorage. Although there were 2,600 less jobs areawide in November than in October there were 8,050 more jobs than a year-ago, a 7.2% increase.

The regional unemployment rate increased 1.3 percentage points to 7.7% in response to seasonal layoffs. The unemployment rate remained below year-ago levels, solidifying a new trend. From 1981 through the first half of this year the current unemployment rate was consistently greater than last year's rate. However, since mid-year the rate has fallen below the previous year. This new trend may reflect a slowing down of in-migration which was earlier causing the labor force to expand at a faster pace than employment. The recovery in the lower 48 economy may be the cause.

Anchorage Trade Employment

Since 1980 through the first three quarters of 1983 trade employment has grown at a robust 41% rate. In November, trade is one industry that bucks the seasonal trend as it traditionally gears up for the holiday season. Trade employment in November inched upward to an all time record of 26,150. Trade now accounts for nearly 24% of all jobs in Anchorage. Trade is gaining ground on the government sector as the single largest source of employment in Anchorage. (The government sector represented 25% of all jobs in 1982.)

The population and income gains which have been substantial over the past few years have been the catalyst for this growth in the trade sector. Preliminary population estimates show that the Anchorage population has grown 32% since 1980. Total wages and salaries, a major portion of income, advanced from 1.8 billion dollars in 1980 to 2.5 billion dollars in 1982. Trade wages and salaries totaled 288 million dollars in 1980 or 15.9% of total 1980 wages and 440 million dollars or 17.6% of total wages in 1982. A similar growth trend has continued into 1983.

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 11 83	R 10 83	11 82	P 11 83	R 10 83	11 82	P 11 83	R 10 83	11 82	P 11 83	R 10 83	11 82
Alaska Statewide	211088	215375	210125	21028	18017	21725	10.0	8.4	10.3	190060	197358	188400
Anchorage-Matsu Region	110386	112071	110321	8465	7224	9014	7.7	6.4	8.2	101921	104847	101307
Anchorage	99329	100999	99353	6853	5868	7434	6.9	5.8	7.5	92476	95131	91919
Matanuska-Susitna	11057	11072	10968	1612	1356	1580	14.6	12.2	14.4	9445	9716	9388
Gulf Coast Region	22806	23171	21930	3013	2625	3506	13.2	11.2	16.0	19793	20846	18424
Cordova	1186	1228	1111	126	112	125	10.6	9.1	11.3	1060	1116	986
Kenai	11732	12132	11345	1617	1510	1958	14.0	12.4	17.3	10085	10622	9387
Kodiak	5143	5231	1998	623	471	791	12.1	9.1	15.8	4520	4760	4207
Seward	1679	1699	1611	268	212	297	16.0	12.5	18.4	1411	1487	1314
Valdez	3066	3178	2865	349	317	335	11.4	10.0	11.7	2717	2861	2530
Interior Region	28549	29089	28570	4070	3722	4163	14.3	12.8	14.6	24479	25367	24407
Fairbanks	23321	23821	23375	3369	3146	3481	14.4	13.2	14.9	19952	20675	19894
Southeast Fairbanks	2296	2321	2230	295	250	235	12.8	10.8	10.5	2001	2071	1995
Upper Yukon	711	715	685	114	96	90	16.0	13.4	13.1	597	619	595
Yukon Koyukuk	2221	2229	2280	292	230	357	13.1	10.3	15.7	1929	1999	1923
Northern Region	10408	10726	10041	910	733	807	8.7	6.8	8.0	9198	9993	9234
Barrow-North Slope	2788	2890	2696	226	195	205	8.1	6.7	7.6	2562	2695	2491
Kobuk	3264	3366	3146	316	265	280	9.7	7.9	8.9	2948	3101	2866
Nome	4356	4470	4199	368	273	322	8.4	6.1	7.7	3988	4197	3877
Southeast Region	28797	29323	29126	3591	2868	3404	12.5	9.8	11.6	25206	26455	26022
Angoon	367	387	388	33	37	41	9.0	9.6	11.3	334	350	344
Haines	998	992	1015	148	99	137	14.8	10.0	13.5	850	893	878
Juneau	10162	10486	10412	1012	881	966	10.0	8.4	9.3	9150	9602	9446
Ketchikan	6033	6129	6193	731	564	719	12.1	9.2	11.6	5302	5565	5474
Outer Ketchikan	776	773	864	151	117	219	19.5	15.1	25.3	625	656	645
Prince of Wales	1396	1403	1428	230	179	221	16.5	12.8	15.7	1166	1224	1204
Sitka	4150	4279	4217	453	399	431	10.9	9.3	10.1	3697	3880	3816
Skagway	1604	1598	1496	371	304	223	23.1	19.0	14.9	1233	1294	1273
Wrangell-Petersburg	3311	3276	3383	462	285	441	14.0	8.7	13.0	2849	2991	2942
Southwest Region	10112	10695	9837	979	845	831	9.7	7.9	8.4	9163	9850	9006
Aleutian Islands	2655	2831	2602	163	155	153	6.1	5.5	5.9	2492	2679	2449
Bethel	3275	3418	3153	360	314	288	11.0	9.1	9.1	2915	3134	2865
Bristol Bay Borough	369	387	354	40	34	31	10.8	8.8	8.8	329	353	323
Bristol Bay	1360	1417	1309	129	91	100	9.5	6.6	7.6	1231	1323	1209
Kuskokwim	899	958	862	104	104	81	11.6	10.9	9.4	795	854	781
Wade Hampton	1581	1651	1557	183	141	178	11.6	8.7	11.4	1401	1507	1379

P =Preliminary 1982 Benchmark

R =Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/	R		CHANGES FROM:	
	11/83	10/83	11/82	10/83	11/82
Nonag. Wage & Salary	105850	108150	98250	-2300	7600
Mining	3200	3250	3100	-50	100
Construction	9450	11000	8300	-1550	1150
Manufacturing	2400	2650	2150	-250	250
Food & Kindred Prod.	350	400	350	-50	0
Other Mfg.	2050	2250	1800	-200	250
Trans. Comm. & Util.	8900	9150	8400	-250	500
Trucking & Whseing.	1200	1250	1200	-50	0
Water Transportation	350	400	300	-50	50
Air Transportation	3550	3600	3400	-50	150
Other Trans. Comm. & Utilities	3800	3900	3500	-100	300
Trade	26150	26050	23900	100	2250
Wholesale	6150	6150	5550	0	600
Retail	20000	19900	18350	100	1650
General Merchandise	1850	1800	1800	50	50
Food Stores	2650	2650	2450	0	200
Eating & Drinking Places	7450	7500	6900	-50	550
Other Retail Trade	8050	7950	7200	100	850
Fin.-Ins. & Real Estate	7000	7050	6550	-50	450
Services & Misc.	23150	23500	21300	-350	1850
Government	25600	25500	24550	100	1050
Federal	10050	10150	9800	-100	250
State	6650	6600	6500	50	150
Local	8900	8750	8250	150	650

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P	R		CHANGES FROM:	
	11/83	10/83	11/82	10/83	11/82
Nonag. Wage & Salary	111700	114300	103650	-2600	8050
Mining	3250	3300	3200	-50	50
Construction	10250	12000	9100	-1750	1150
Manufacturing	2500	2900	2250	-400	250
Trans -Comm. & Utilities	9400	9750	8900	-350	500
Trade	27300	27150	25000	150	2300
Fin.-Ins. & Real Estate	7300	7300	6800	0	500
Services & Misc.	24200	24650	22250	-450	1950
Government	27500	27250	26150	250	1350

Anchorage Trade Employment
1980-1983 /1

	1980	1982	1983 /2	% Change 1980-1983
Trade	17373	22448	24450	40.7%
Wholesale	4703	5330	5890	25.2%
Retail	12670	17118	18560	46.5%
General Merchandise	1677	1603	1675	0.1%
Food	1665	2368	2429	45.9%
Automotive/Service Stations	1416	1649	1778	25.6%
Eating & Drinking	4445	6582	7136	60.5%
Other Retail	3467	4916	5543	59.8%

1/ 3 quarter average (Jan.-Sept.)
2/ 1983 estimated

All sectors of trade from wholesale to eating and drinking places have experienced substantial growth since 1980. An exception, however, is the general merchandise sector which includes department stores. Growth in retail trade has been centered on specialty stores (like hardware, sporting goods, grocery and drug stores), not on the "all around" department store.

Eating and drinking places, the largest component of retail trade representing nearly a third of retail employment, has expanded by over 60% since 1980. The largest increases came in the eating establishments. Since 1980 eating establishment employment has grown over 70% while drinking establishments increased employment by only half that rate.

FAIRBANKS/INTERIOR

By Neal Fried

Upper Yukon 1980-1983

The past two articles on the Interior region have covered the latest employment trends in the Yukon-Koyukuk and Southeast Fairbanks. The last area of the Interior, the Upper Yukon, will be discussed completing the series on areas within the Interior region.

The Upper Yukon geographically includes all communities north of the Alaska Highway, east of the haul road and south of the North Slope Borough's boundary. The area includes the communities of Birch Creek, Fort Yukon, Beaver, Central, Stevens Village, Venetie, Chicken, Arctic Village, Chalkyitsik and Eagle. The communities vary in size from 32 in Birch Creek to 619 in Fort Yukon. The total population for the area is slightly more than 2000. More than half of the communities are accessible only by air on a year-round basis and by water during the summer months.

Employment

The state's economy during the past 3 years has been basking in prosperity. Employment has grown by 17% from 1980 to 1982. Nearly all other economic indicators have been pointing upward. This trend continued through the first 6 months of 1983. Upper Yukon's economy has not followed suit. Employment grew by only 7% during this same time period. What has caused the Upper Yukon to lag so far behind the state?

Much of the state's growth which has taken place has come as a result of record state spending during the past 3 years. The Upper Yukon has benefited from this with increased revenues going to local governments and schools, capital projects, and dividend payments. However, the communities in the Upper Yukon lack an economic infrastructure sufficient to capture these incoming dollars and circulate them through their economies. These dollars instead leak out of the communities almost as rapidly as they come, creating very little long term employment growth. This happens because communities and individuals within the Upper Yukon go to Fairbanks or Anchorage to purchase goods and services. When capital projects are undertaken, outside firms and labor often build them. In many of the larger urban areas of the state, the oil revenue expenditures have resulted in private sector investment. This has not occurred in the Upper Yukon.

Government remains Upper Yukon's largest employer. Approximately 62% of wage and salary employment is with government and 59% of the payroll originates from the public sector. The lion's share of this employment is in local government, with the Yukon Flats School District being the single largest employer in the area. A very small secondary sector,

trade and services, employs 13% of the wage and salary workforce. Transportation is the largest private industry employer, employing 15% of the workforce. This is not surprising given the effort necessary to travel and move goods to and from many of these communities. The number of firms with employees has remained basically unchanged for the past 3 years.

There is economic activity which does not show up in the wage and salary employment figures but does provide employment in the Upper Yukon. Ever since gold prices began to soar, gold mining has provided employment to many in the area. The number of mining claims more than doubled in 1980. There are no reliable figures on the number of people involved in this activity but it is considered substantial because the Upper Yukon is one of the most active gold mining areas in the state. These employees are not counted in wage and salary employment for the most part because they are not typically paid wages or salaries but instead are compensated in a variety of other ways. There is also a Yukon River salmon fishery which provides cash income and employment during part of the year which are not counted. Subsistence, another form of employment, is also not reflected in these employment numbers.

Unemployment

Unemployment remains high in the Upper Yukon. The unemployment rate hit a high of 20.1 percent and did not fall below 14.6% in 1983. In some of the communities, the number of full-time wage and salary jobs can literally be counted on one hand. Other economic indicators point to a lack of cash income. For example, family income for the area is 1/3 of the state's average. In some communities it is as low as ¼. The incidence of poverty is more than double the state's average. This picture is not likely to change until a viable basic sector exists which is large enough to generate income to support a secondary sector.

Upper Yukon Nonagricultural Employment
1980-1982

	1980	1981	1982
Total Nonagricultural Employment	364	368	388
Mining	•	38	•
Construction	•	•	•
Transportation	52	64	62
Trade	•	•	•
Wholesale	•	•	•
Retail	13	12	18
Finance, Insurance & Real Estate	8	8	6
Services	20	28	34
Government	242	216	242
Federal	34	32	35
State	26	31	37
Local	169	153	170

• Nondisclosable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/ 11/83	R/ 10/83	CHANGES FROM: 11/82	10/83	11/82
Nonag. Wage & Salary	26750	27650	24500	-900	2250
Mining	250	350	200	-100	50
Construction	2400	3000	1700	-600	700
Manufacturing	500	550	450	-50	50
Trans. Comm. & Util.	2800	2900	2650	-100	150
Trucking & Whsing.	450	450	300	0	150
Air Transportation	550	600	550	-50	0
Other Trans. Comm. & Utilities	1800	1850	1800	-50	0
Trade	5700	5700	5050	0	650
Wholesale	900	950	850	-50	50
Retail	4800	4750	4200	50	600
Gen. Merchandise & Apparel	450	450	400	0	50
Food Stores	800	800	700	0	100
Other Retail Trade	3550	3500	3100	50	450
Fin.-Ins. & Real Estate	1050	1050	950	0	100
Services & Misc.	4950	5100	4900	-150	50
Government	9100	9000	8600	100	500
Federal	2650	2650	2450	0	200
State	4000	3950	3850	50	150
Local	2450	2400	2300	50	150

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/ 11/83	R/ 10/83	CHANGES FROM: 11/82	10/83	11/82
Nonag. Wage & Salary	30450	31300	28000	-850	2450
Mining	400	450	350	-50	50
Construction	2450	3000	1750	-550	700
Manufacturing	550	550	450	0	100
Trans. Comm. & Util.	3600	3700	3500	-100	100
Trade	6200	6100	5400	100	800
Fin.-Ins. & Real Estate	1100	1100	1000	0	100
Services & Misc.	5350	5550	5200	-200	150
Government	10800	10850	10350	-50	450

GULF COAST

By Neal Fried

Seward 1980-1983

During the past 2 months articles on the Gulf Coast have covered smaller geographic areas within the region. Periodically wage and salary statistics regarding these sub-areas become available which offer the opportunity for a more realistic economic analysis than at the regional level. (See table). This month the Seward area will be covered.

The Seward area includes the communities of Seward, Cooper Landing, Hope and Moose Pass. The city of Seward has 65% of the area's population, and 93% of the wage and salary employment.

Employment

Statewide employment has grown by 17% from 1980 to 1982 while in Seward employment levels have remained relatively flat. The trend continued through the first 6 months of 1983. This would immediately lead one to conclude that Seward has been left untouched by the prosperity which urban Alaska has enjoyed during the past 3 years. Other statistics as well would support the idea of stagnation. The population of Seward has grown little during the past 3 years. State and local government employment in Seward has increased by only 7% during this period. The number of new housing units has not increased despite the state's housing program. In spite of these figures, however, Seward's economy appears to have been dynamic.

The reason Seward's wage and salary employment has not moved ahead is that manufacturing employment (fish processing) declined during the past 3 years. Fish processing employment over the decade has grown in Seward but because it is such an unpredictable industry, dependent on so many factors, employment can fluctuate widely and dramatically affect total employment numbers.

All other industries in Seward have grown. Much of this growth has been in response to increased state expenditures during the past 3 years. Employment in secondary industries has grown particularly transportation, services and trade, chalking up gains of 52%, 15%, and 23%, respectively. Some of the growth in these three industries came as a result of good tourist seasons. With Anchorage's population spiraling upward, the demand for recreation has increased and Seward has benefited. The number of out-of-state travelers has also apparently increased.

Construction statistics are elusive since many projects constructed in the Seward area over the past three years have been built by firms from

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P/	R/	CHANGES FROM:		
	11/83	10/83	11/82	10/83	11/82
Nonag. Wage & Salary	18350	19250	17300	-900	1050
Mining	750	750	700	0	50
Construction	1850	2150	1350	-300	500
Manufacturing	2250	2650	2350	-400	-100
Food & Kindred Prod.	1450	1850	1700	-400	-250
All Other Mfg.	800	800	650	0	150
Trans. Comm. & Util.	2100	2100	2100	0	0
Trade	3000	3050	2700	-50	300
Wholesale	400	400	350	0	50
Retail	2600	2650	2350	-50	250
Fin.-Ins. & Real Estate	500	500	500	0	0
Services & Misc.	3000	3050	2800	-50	200
Government	4900	5000	4800	-100	100
Federal	500	500	500	0	0
State	1500	1550	1500	-50	0
Local	2900	2950	2800	-50	100

Anchorage and outside. In many cases the workers on these projects were not counted in Seward's employment totals. Large multi-million dollar construction projects have occurred in the Seward area, such as the Trail Lakes fish hatchery, highway construction, the new Seward Marine Industrial Center, and the new coal exporting facility. Seward is banking a good deal of its economic future on the last two projects. Unlike many of the state's capital projects, these two projects are specifially aimed at Seward's economic base.

The recent choice of Seward as the site for the state's new maximum security prison will give the economy a healthy boost, providing about 300 corrections jobs and a payroll of 6 to 8 million dollars. The $6 million coal loading facility will make Seward the first international coal exporting facility in the state. A contract has already been signed between the Usibelli coal mine and Suneel of Korea to begin shipments next year. The coal facility is expected to create approximately 20 full time jobs. The Seward Marine Industrial Center hopes to become a major shipyard repair facility for vessels operating in Alaska. Next year it will have the capability of handling most of the vessels plying Alaska's waters. Shipping may also get an additional boost with the announcement that Sea-Express will begin a weekly barge service early next year between Seattle and Seward. The barge will be a state of the art 3 deck vessel which can carry up to 350 trailers at a time.

If all of these projects do materialize, they will provide Seward with a significant increase to employment on a long-term basis. This boost would probably be large enough to pull Seward into a growth mode, even if fishing does not rebound.

Unemployment

Unemployment remains a persistent problem in Seward. Through November of 1983 all but two months have been at the double digit level. The high was 22.8% during January and the low was 7.9% in August. Seward's unemployment rate in 1983 has been 15.4% compared to 10.1% for the state. This is both because Seward has a large seasonal sector, fishing and tourism, and also because total employment has not advanced over the past years.

Seward Nonagricultural Employment
1980-1982

	1980	1981	1982
Total Nonagricultural Employment	1254	1156	1243
Mining	•	•	•
Construction	•	•	•
Manufacturing	•	•	•
Transportation	48	47	73
Trade	•	•	•
Wholesale	•	•	•
Retail	157	156	180
Finance, Insurance & Real Estate	17	20	20
Services	177	179	218
Government	377	383	405
Federal	61	53	47
State	194	211	221
Local	119	127	137

• Nondisclosable.

SOUTHEAST ALASKA

By John Boucher

Ketchikan Employment: 1980 to 1982

From 1980 to 1982, Alaskan employment grew at a very rapid rate, expanding 17% during these two years. While the state's employment was growing rapidly, in Alaska's "First City", Ketchikan, employment did not grow at all. As a matter of fact, Ketchikan employment decreased from 1980 to 1982. Three industries accounted for the downturn in Ketchikan employment during those two years—manufacturing; transportation, communication and public utilities; and construction. The biggest factor effecting total employment in Ketchikan was the downturn in manufacturing employment.

In 1980, manufacturing was the second largest source of employment in the Ketchikan census division. Since 1980, manufacturing employment has decreased almost 20%, which means 246 less manufacturing jobs. The manufacturing industry in Ketchikan has two principal players, the seafood processing industry and the forest products industry. Events of the past two years have not been kind to either of these industries. Forest products related employment decreased because of the slowdown of Japanese housing starts during the past two years, and seafood processing declined in 1982 because of the soft salmon market that followed the botulism scare.

Transportation, communication and public utilities and construction both had fairly large declines in employment during these two years. One sector of transportation that dropped precipitously during this period was marine cargo handling. The slowdown in Ketchikan's manufacturing industry probably caused a slowdown in shipments which resulted in less stevedoring activity. Other factors that contributed to the decline in this industry from 1981 to 1982 were the pullout of Wien Airlines, and markedly lower activity in school bus and taxicab operations.

Ketchikan's entire employment picture was not all bad during this period. Trade, services and government all experienced growth from 1980 to 1982. Services showed the strongest growth in the Ketchikan economy during these two years, growing 18.8%. Most of this growth occurred from 1981 to 1982 with the major contributors being hotel and motel employment, business services, and social services. Trade growth for this period was 13.4%. Nearly all of the growth in trade came in the retail sector, the largest contributors being eating and drinking establishments, food store employment and the miscellaneous retail category.

In the Government sector, state government employment was the largest single contributor to overall government growth in Ketchikan. State

government accounted for almost 100 more jobs in 1982 than it did in 1980. Local government employment also grew during this period but at a more modest rate than state government employment. Federal government employment declined from 1980 to 1982.

The immediate future holds much uncertainty for the Ketchikan economy. The labor and financial problems surrounding the Ketchikan Spruce Mill as well as the current market for forest products pose further threats to employment in Ketchikan's manufacturing industry. The long term future of the community would be greatly enhanced should the Quartz Hill development continue ahead at full speed. An improving U.S. economy could be an encouraging sign that would signal the recovery of the forest products industry, and enhance Quartz Hill's feasibility.

Ketchikan Nonagricultural Wage and Salary Employment
1980-1982

	1980	1981	1982	% Change
Total Nonagricultural	5,889	5,539	5,403	-8.2
Mining	•	•	•	
Construction	393	257	270	-31.3
Manufacturing	1,242	973	996	-19.8
Trans., Comm. & Public Utilities	658	630	499	-24.2
Trade	982	988	1,080	13.4
Wholesale	114	81	116	1.7
Retail	868	907	965	11.2
Fin., Ins., & Real Estate	•	•	•	-8.7
Services	872	863	1,036	18.8
Government	1,484	1,495	1,597	7.6
Federal	359	321	342	-1.7
State	430	436	531	23.5
Local	695	738	766	10.2

All totals are annual averages.

• Indicates nondisclosable number.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P/ 11/83	R/ 10/83	11/82	CHANGES FROM: 10/83	11/82
Nonag. Wage & Salary	27750	29100	27400	-1350	350
Construction	1950	2100	1800	-150	150
Manufacturing	3000	3950	3650	-950	-650
Food & Kindred Prod.	800	1450	950	-650	-150
Lumber & Paper Prod.	2000	2250	2450	-250	-450
All Other Mfg.	200	250	250	-50	-50
Trans. Comm. & Util.	1900	2000	1850	-100	50
Trade	4400	4400	4100	0	300
Wholesale	350	350	300	0	50
Retail	4050	4050	3800	0	250
Fin.-Ins. & R. Estate	1000	1000	950	0	50
Mining, Services & Misc.	3900	4000	3700	-100	200
Government	11600	11650	11350	-50	250
Federal	2300	2350	2200	-50	100
State	5250	5300	5300	-50	-50
Local	4050	4000	3850	50	200

HOURS AND EARNINGS

By Kathryn Lizik

Noticeable changes in October hours and earnings took place in the seasonal food and kindred products sector of manufacturing. Average hourly earnings dropped 7% and average weekly hours fell 24% from September, culminating in a 29% drop in the average weekly earnings. Although this reduction is typical for the fall months following a heavy summer salmon harvest, the usual rebound in winter processing activity is not expected to materialize this year due to poor king crab stocks. Several canneries around the state were working as little as one day a week during October, some not at all. Most are waiting until after the first of the year when the tanner crab season opens in the Westward region.

In other industries, construction saw overtime hours decrease over September, returning to a more normal 40 hour work week as average weekly hours fell 9% from 44.8 to 40.7. This was coupled with an expected boost in average hourly earnings as seasonal laborers were laid off leaving specialty crews to finish up near completed jobs.

Although October is still early to be heavily impacted by the holiday season, trade experienced an overall increase of 3% in average weekly hours. Wholesale trade saw the biggest leap (8%) from 36.5 to 39.3 hours. Retail also climbed but only from 33.7 to 34.2 (1%). Newly operating fast food places and shopping malls helped boost the employment hours but also caused the average hourly wages to slightly dip due to the hiring of new help. Wholesale average wages dropped 3% while retail dropped 1%.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 10/83	r/ 9/83	10/82	p/ 10/83	r/ 9/83	10/82	p/ 10/83	r/ 9/83	10/82
Mining	$23.50	$24.05	$23.71	49.6	51.8	50.3	$1165.60	$1245.79	$1192.61
Contract Construction 3/	24.97	24.32	23.65	40.7	44.8	45.1	1016.28	1089.54	1066.62
Manufacturing	15.13	13.57	13.43	31.3	32.4	31.6	473.57	439.67	424.39
Food & Kindred Products	8.73	9.38	8.11	20.3	26.7	23.0	177.22	250.45	186.53
Lumber & Paper Products	18.37	17.24	16.01	41.6	39.6	39.8	764.19	682.70	637.20
Trans. Comm. & Utilities	16.67	16.85	15.64	36.5	37.5	38.4	608.46	631.88	600.58
Trade	10.16	10.31	9.76	35.6	34.5	35.2	361.70	355.70	343.55
Wholesale	12.12	12.50	11.48	39.3	36.5	37.8	476.32	456.25	433.94
Retail	9.35	9.42	9.05	34.2	33.7	34.2	319.09	317.45	309.51
Finance-Ins. & Real Estate	—	—	—	—	—	—	348.10	330.63	360.16

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

3/ Due to technical revision in construction sample, 1982 estimates are not strictly comparable to previous years data.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.